

# IOWA HOUSE REPUBLICANS

May 29, 2025

[IowaHouseRepublicans.com](http://IowaHouseRepublicans.com)

## Appropriations

### Fiscal Year 2026 Budget Addresses House Republican Priorities

House Republicans achieved several hard-fought victories while negotiating an agreement with the Senate Republicans and the Governor for the Fiscal Year 2026 budget. The agreed-to budget will spend \$9.424 billion in the next year, an increase of 5.33 percent over the current year.

With the ending of the enhanced federal matching rate for Medicaid in 2023, it was a matter of time before Iowa had to commit increased state tax dollars to the largest program in state government. For FY 2026, the state will spend \$1.903 billion from the General Fund for the state's share of the Medicaid program. This is an increase of \$252.7 million over the current year's budget. Most of the additional funds are to replace the enhanced matching funds. But the budget also contains several provider rate increases that were House Republican priorities.

Primary among the Medicaid rate increases is the \$20 million increase in funding for nursing home reimbursement. Addressing nursing home funding was a red-line issue for House Republicans, and getting the agreement to raise rates for this critical service across Iowa was a major victory for Iowans. The Health and Human Services budget also contained rate increases for dental services (+\$2.1 million), intermittent community-based services (+\$3 million), maternal health care (+\$420,000), and prosthetics and orthotics (+\$100,000).

Rate increases were not limited to Medicaid, as House Republicans prevailed in getting additional funding for child welfare providers and subsidy rates to foster care families and those participating in the state's adoption subsidy program were increased five percent. These achievements would have made former HHS budget chair Dave Heaton proud of House Republicans' commitment to helping those caring for Iowans in need.

Iowa's education system also received additional funds. With supplemental state aid set to grow by 2 percent in the next school year, additional funding was secured for school transportation costs, per pupil equity, and operational sharing agreements between school districts. The second phase of last year's agreement to raise teacher salaries was fulfilled in the new budget. And after some hard bargaining and over numerous objections, House Republicans maintained the commitment of \$14 million of additional funding to school districts to supplement pay to paraeducators and other vital school support staff.

In the Education budget, funding for Iowa's community college system has been a consistent priority for House Republicans. And once again, House Republicans delivered. In FY 2026, community colleges will receive \$243.4 million in state support. This is an increase of \$7.5 million over last year, and \$7.5 million more than what Senate Republicans had proposed.

The Board of Regents also received increased funds for special programs at each university. The University of Iowa received \$1 million to expand cancer research here in Iowa while also getting funds for the new Center for Intellectual Freedom. Iowa State University's Ag Experiment Station received a \$1 million increase and the University of

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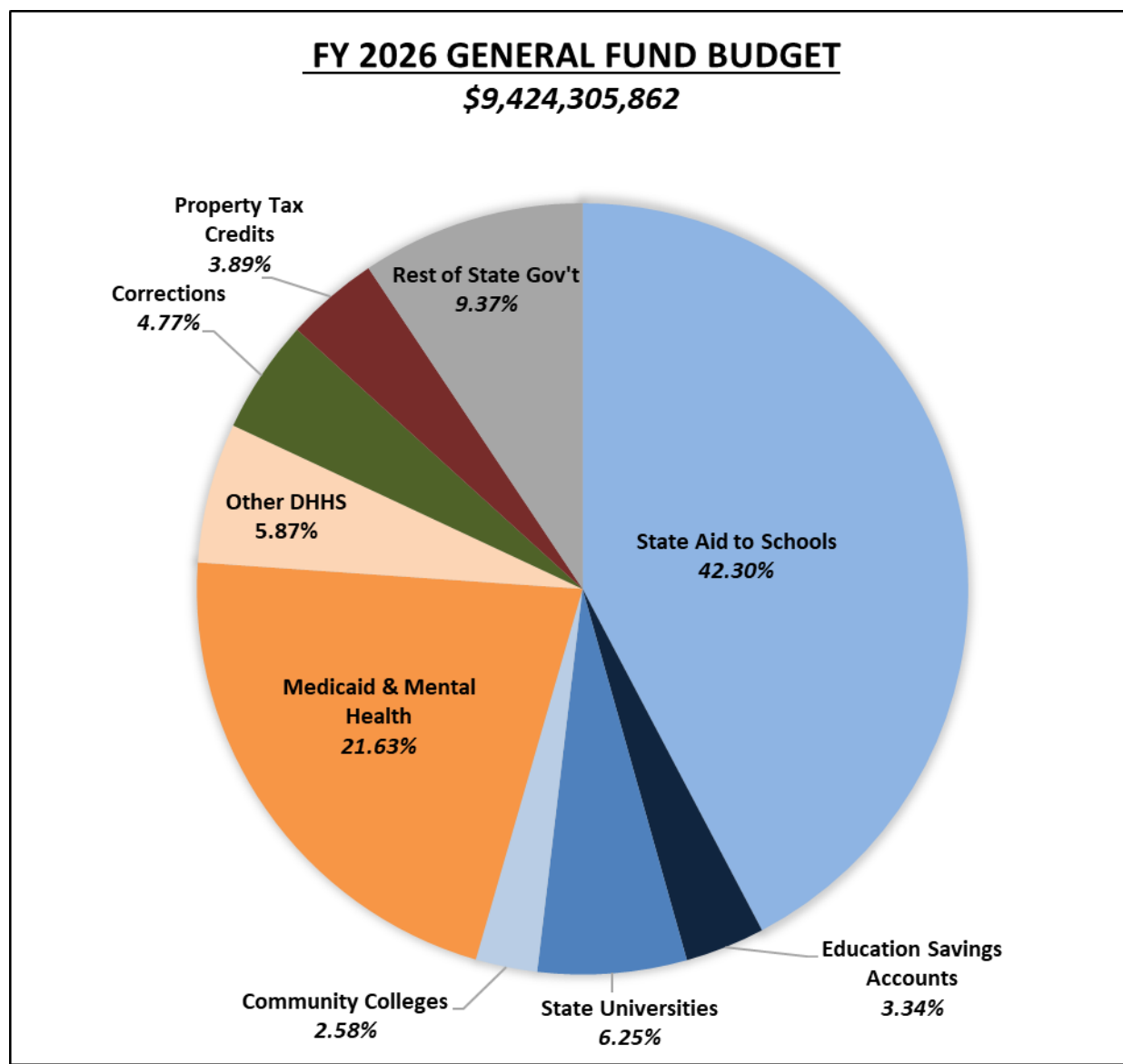
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Northern Iowa was given \$1 million for its new Center for Civic Education and \$1.5 million to begin offering student from contiguous states the ability to attend UNI while paying in-state tuition.

In the Justice Systems budget, the Legislature reached agreement to provide these critical functions with an additional \$9.5 million. Much of the new funds goes to the Department of Corrections to address salary raises and cost increases. The Judicial Branch was given \$202.7 million for its operations, which includes a 2.5% raise for judges and other judicial officers. And the Iowa State Patrol received an additional \$2.2 million.

House Republicans continued their efforts to improve food safety with new funds being provided to the Department of Agriculture and Land Stewardship to respond to bird flu outbreaks and other foreign animal diseases. The Department of Natural Resources received new funds for state park maintenance and was instructed that any proceeds from sales of park property must be used for improvements in that state park. And House Republicans extended the state's partnership with Habitat for Humanity to rehabilitate housing across Iowa, a program that was a priority of Martin Graber.

For Fiscal Year 2026, the budget will be divided up in the following manner:



(Contact: Brad Trow 1-3471)

### Governor Signs Grain Indemnity Fund Update Measure

On Tuesday, May 27, 2025, Iowa Governor Reynolds signed Senate File 608, a measure that significantly updated Iowa's Grain Indemnity law and program. The measure proposes new definitions and regulations surrounding credit-sale contracts sale of grain, specifically extending grain indemnity coverage to deferred pricing credit sales contracts, but not to deferred payment credit-sales. The bill establishes new requirements for grain dealers regarding financial statements to now include an unqualified audit (no more than one per year) and indemnity fees/participation fees and further modifies the conditions under which indemnity fund fees are assessed and outlines the process for indemnification claims. The legislative changes aim to enhance the financial security of grain depositors and sellers while clarifying the responsibilities of licensed grain dealers.

The measure increases the thresholds for waiving and reinstating indemnity per bushel and participation fees from \$8 million to \$16 million and from \$3 million to \$8 million, respectively. It increases the cumulative covered dollars loss from \$300,000 to \$400,000. It extends indemnity coverage for dollar value losses from deferred pricing credit sales, but specifies a 75% recovery for each dollar loss for this type of grain transaction; while other types of covered losses are indemnified at a 90% rate. The new law creates a new Code section (203D.6A) that provides extensive provisions concerning grain seller eligibility for Grain Indemnity fund claims for dollar value losses due to a bankruptcy Court 'clawing back' grain sale proceeds that a producer received prior to a grain dealer insolvency and Court bankruptcy proceedings.

This section provides that:

- (a) the special repayment process allows such a seller to recover the dollar value loss of the grain dealer payment that the seller was forced to repay to the grain dealer's bankruptcy estate;
- (b) to be timely, a seller must file a repayment claim with IDALS not later than 60 days after the repayment loss is finalized by a bankruptcy court;
- (c) IDALS may provide notice of the repayment claim process to a seller who may file a repayment claim;
- (d) if IDALS chooses to provide a notice to the seller, IDALS has discretion to determine a reasonable method and manner of providing such notice;
- (e) the indemnity board must determine that a repayment claim is eligible for payment from the indemnity fund, including whether the repayment claim derives from a covered transaction;
- (f) IDALS is required to deliver notice to a seller filing a repayment claim regarding the indemnity board's determination in the same manner as for an ordinary loss;
- (g) indemnification for repayment claims involving clawback situations is up to a dollar value loss up to \$400,000 with indemnification per claimant as specified by s (new Code section 203D.6, subsection 8);
- (h) the dollar value loss of a repayment claim is the amount the seller has paid to the grain dealer bankruptcy estate that the seller previously received from the grain dealer's purchase of the grain; and
- (i) as with other indemnification classes if Indemnity Fund moneys are insufficient to pay all claims against the fund, IDALS may temporarily defer payments based on insufficient moneys in the indemnity fund on a prioritized basis until sufficient moneys exist.

### Naig Encourages Farmers to Sign-Up for Cover Crop Cost-Share Program

On Tuesday, May 13, 2025, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release in which Iowa Secretary of Agriculture Mike Naig announced that IDALS is again offering state cost-share incentives for using cover crops. The annual program, which is available to eligible first-time users as well as returning participants, is now open for Iowa farmers to begin enrolling their acres that will be seeded this fall.

#### *Cover Crop Cost-Share*

- Farmers who are planting cover crops for the first time are eligible for \$30 per acre.

- Farmers who have already experienced the benefits of using cover crops can receive \$20 per acre.
- Cost share funding through this program is limited to 160 acres per participant.

*Additional Cost-Share Assistance for First-Time Users Only*

- Farmers transitioning acres to no-till or strip-till are eligible for \$10 per acre.
- Farmers can receive \$3 per acre for utilizing a nitrogen inhibitor when applying fall fertilizer.
- Cost share funding for this program is limited to 160 acres per participant.

Last year, 3,544 farmers and landowners enrolled nearly 390,000 cover crop acres in this program. The state invested more than \$8.5 million through the Water Quality Initiative, which leveraged nearly \$23.4 million in total conservation investment. Funds will be made available beginning in July, but farmers may start submitting applications immediately through their county soil and water conservation offices located in their county USDA Service Center. Iowa farmers and landowners are also encouraged to visit with their local Service Center staff to inquire about additional cost share funds and other conservation programs that may be available. Learn more about conservation in Iowa by visiting [CleanWaterIowa.org](http://CleanWaterIowa.org).

*(Contact: Lew Olson 1-3096)*

## Commerce

### Legislature Passes Pharmacy Benefit Manager Reform

This year, the House and Senate advanced reform of Iowa's pharmacy benefit managers (PBMs) with bipartisan support. More than 200 pharmacies have closed in Iowa in the last decade, including more than 30 last year. Rural Iowa has been hit the hardest, making it harder for these Iowans to get the medications they need. For far too long, the abusive, anti-competitive practices of PBMs have increased prescription drug prices nationwide and increased PBM profits while reimbursing pharmacies far below their costs. This session, the Iowa legislature passed Senate File 383 to prohibit many of these unfair practices. The bill does the following:

- Prohibits a PBM or insurer from discriminating against a pharmacy if the pharmacy is acting within its license and all laws
- Prohibits the removal of pharmacy choice or imposing any monetary advantages or penalties that result in removing pharmacy choice (including unnecessary specialty drug designations and requiring use of mail order pharmacies)
- Prohibits additional cost-sharing on the insured based on where they choose to have their prescription filled
- Requires all rebates to be returned to the employee plan sponsor
- Requires any amount paid by the insured for the prescription drug to be applied to their deductible
- Requires PBMs to reimburse retail pharmacies (not large national chains and those with only mail order) based on acquisition cost plus a dispensing fee of \$10.68.
- Prohibits spread pricing
- Requires pharmacies have an appeals process if not reimbursed at acquisition cost
- Requires regular reporting from the PBMs to the Insurance Division
- Requires a study of Pharmacy Services Administrative Organizations and wholesales by IID with a report due by January 1, 2026.

This bill provides transparency in a broken system, empowers patients to choose their healthcare provider, requires that the dollars in the system benefit patients and employers, and ensures that pharmacies can keep their doors open by reimbursing what it costs to dispense prescriptions to Iowans.

Governor Reynolds has not taken action on the bill as of May 28<sup>th</sup>. The Governor has until June 14<sup>th</sup> to sign or veto legislation.

*(Contact: Natalie Ginty 5-2063)*

## **Economic Growth**

### **CAT Grant Awarded to Muscatine**

Earlier in May, the Muscatine County Fair and Community Foundation of Greater Muscatine were awarded \$422,000 to construct the new Muscatine County Event Center in West Liberty, which will include a great room, board room, offices, kitchen space, and more. It is expected to attract between 50,000 and 60,000 attendees over the next three years. The total project cost is over \$2.1 million.

The CAT program provides financial assistance to communities for the construction of recreational, cultural, educational or entertainment facilities that enhance the quality of life in Iowa. Award recommendations for these funds are made by the CAT Review Committee to the IEDA Board for approval. \$20 million has been appropriated the CAT program over the last two years. CAT projects must meet the definition of vertical infrastructure. Projects funded through the program have included renovations of buildings for purposes of exhibition spaces, art centers, museums, theaters, aquatic centers, equine centers, development of recreational trails and other local community improvements.

*(Contact: Kristi Kiouss 2-5290)*

## **Education**

### **Governor Reynolds Signs Education Bills Into Law**

On May 27<sup>th</sup>, the Governor signed several House Republican education priorities into law. One of those is the DEI bill which prohibits state entities from using any funds to establish or support diversity, equity, and inclusion offices. The list also includes our civics test bill which requires students to be able to pass the U.S. Citizenship and Immigration Services Naturalization Test prior to graduation. House Republicans have said time and again that it is past time to get back to basics and end the anti-American ideas present in our schools.

- HF 865: A bill for an act modifying provisions related to the harassment or bullying of students enrolled in school districts or accredited nonpublic schools.
- HF 835: A bill for an act relating to school personnel training, including by implementing provisions related to emergency care planning, authorizations for assisting, and limitations of liability concerning students with epilepsy or seizure disorder, and requiring the Department of Education to convene a health care-related training for school personnel work group.
- HF 856: A bill for an act prohibiting public entities from engaging in certain activities relating to diversity, equity, and inclusion, creating a private cause of action, and including effective date provisions.
- SF 369: A bill for an act requiring students to pass the United States Citizenship and Immigration Services Naturalization Civics Test as a condition of high school graduation and high school equivalency diplomas.
- HF 393: A bill for an act relating to the Iowa school performance profiles published by the Department of Education, including how dropout students affect school performance grades contained in the profiles.
- SF 278: A bill for an act relating to robotics extracurricular activities, including requiring the Department of Education to provide technical assistance to school districts related to chartering career and technical student organizations related to robotics and authorizing high school athletic organizations to sponsor interscholastic contests related to robotics.

In particular, HF 865 focuses on behavior over identity and applies the same standard to all kids. The emphasis placed on a list of traits, intentionally or not, had become wrapped up into identity politics and left-wing social justice. It focuses on a straightforward, individual-centered approach rooted in observable behavior, universal standards, and personal responsibility, avoiding an overreach into cultural or ideological territory.

School bullying is repeated and targeted aggression by one or more students against another, where the aggressor exploits a clear advantage in strength, numbers, or social leverage to cause physical, emotional, or social harm. It's about actions. A kid picking on another kid because they're weak, weird, or just there doesn't need a lecture on privilege or a list of protected traits; it's bullying if it's mean, ongoing, and one-sided.

HF 865 aligns with what Iowans voted for in 2024. It brings a practical, no-nonsense approach over an overly sensitive or politicized framework.

## **We Know About Minnefornia...But What About Calirado?**

It seems the state of Colorado learned nothing from watching Minnesota Governor Tim Walz embarrass his state on the campaign trail last fall by constant highlighting hyper-woke education policies adopted in his state. Walz went so far left, critics took to calling his state "Minnefornia."

For example, in 2023 Minnesota approved a large education reform bill. In it, the tenets of Critical Race Theory were mandated. Critical Race Theory (CRT) isn't simply another point of view. It is about ideological reeducation, not about rational and fact-based education. It rejects traditional American values such as equality, hard work, individuality and colorblindness – not to mention the reality that there are actual differences between men and women. While its origins are Marxist, Critical Race Theory hides behind euphemisms like "diversity, equity and inclusion" or "social justice" or "culturally responsive teaching." CRT and its purveyors advocate for the end of capitalism, the end of private property and the end of freedom of speech. It teaches that America is irredeemably racist, all white people are racist and all men are sexist.

Minnesota included adding the definition of "antiracist" and "institutional racism" into their Code as well as making "ethnic studies" a new graduation requirement. Teachers are evaluated based on whether their use of culturally responsive methodologies. School boards must "integrate a plan that addresses institutional racism" and provide "professional development opportunities for teachers and administrators focused on improving the academic achievement of all students, including knowledge, skills, and dispositions needed to be antiracist and culturally sustaining." Schools must collect, examine, and evaluate "academic and discipline data for institutional racism...in structures, policies, and practices that result in the education disparities, in order to propose antiracist changes..."

2023 also saw Minnesota pass the Trans Refuge Act, which established the state as a safe haven for minors seeking permanent and often dangerous sex change surgeries and hormone therapy and puberty blocking drugs. The law shields Minnesota providers from out-of-state legal actions and prohibits enforcement of other states' laws that penalize so-called "gender-affirming care."

Long time residents of Colorado have lamented the influx of liberal Californians for years. Parts of the state even earned the nickname "Calirado." Democrats leading the state have apparently decided they want the whole state renamed. This spring Democrat Governor Jared Polis signed House Bill 25-1312.

This bill defines "deadnaming" (using a transgender person's legal but pre-transition name) and "misgendering" (using biologically correct but unwanted pronouns) as discriminatory acts under the Colorado Anti-Discrimination Act (CADA). Initially, it included provisions that critics argued could label misgendering a child as "coercive control" in custody cases, potentially impacting parental rights. These provisions were amended out, removing references to family court and child custody, but the bill still protects students' rights to use chosen names in schools and prohibits gender-based dress codes. It also shields parents who help their child access "gender-affirming care" from other states' laws restricting access to sex change surgeries and hormone therapy drugs.

The bill erodes parental rights by prioritizing a minor student's feelings over parental notification, especially in schools.

Additionally, the bill certainly appears to be government compelled speech violating the First Amendment. What makes Colorado's bill unique is that it codifies misgendering/deadnaming as discrimination.

## **What Happens When Democrats Alone Control Public Education Policy?**

*The Voice of San Francisco* published an article on May 27, 2025, detailing a controversial "Grading for Equity" plan set to be implemented in 14 San Francisco high schools starting in the fall of 2025, affecting over 10,000 students. Superintendent Maria Su announced the initiative without formal approval from the San Francisco Board of Education, prompting concerns about transparency and oversight. The plan, uncovered through a brief mention in a school board meeting agenda, involves significant changes to grading practices, such as eliminating homework and weekly tests from final semester grades and basing grades solely on a final exam, which students can retake multiple times. Attendance and punctuality will not impact academic grades, and the grading scale will be adjusted so that a score as low as 80 can earn an A, a 41 can earn a C, and a 21 can pass with a D, following the model of the San Leandro Unified School District.

The district is hiring left-wing DEI consultant to train teachers in August 2025, with the aim of reducing achievement gaps, though critics argue it may lower academic standards and harm college and career readiness. Data from San Leandro, where similar reforms began in 2016, show persistent performance disparities among student groups. The article highlights minimal parental outreach and concerns about the timing of the announcement, which coincides with budget cuts of over \$100 million and enrollment declines. Critics, including former University of San Francisco School of Law dean John Trasviña, argue that the policy de-emphasizes timely performance and accountability, potentially undermining student preparation. The lack of board approval and public scrutiny has sparked debate, with some fearing it could exacerbate educational challenges rather than address them.

*(Contact: Kristin Rozeboom 1-3015)*

## **Environmental Protection**

### **Ag & DNR Budget Bill Continues Funding for Assessment of State Aquifers**

On Tuesday, May 13, 2025, the House considered and passed Senate File 646 by a largely partisan 63-aye to 28-nay vote. SF 646 provides state funding for the Iowa Department of Agriculture, Department of Natural Resources, and select aspects of Regents institutions. The measure has yet to be considered by the Governor. One aspect of this bill (section 16) creates a new \$200,000 general fund line-item appropriation to continue funding for the Iowa Geological Survey to support continued Iowa aquifer assessments. Moneys from this appropriation do not revert, but remain in the fund for use for this purpose. Last year, \$250,000 of one-time money from the remaining Bluffland fund balances were appropriated for this purpose. During the 2025 session, the Iowa House Environmental Protection Committee received several presentations on the issue which noted that several major aquifers appear to have significant local over-withdrawal issues near Iowa's major metropolitan areas. Furthermore, the major deep rock aquifers in the state as a whole appear to be pumped at a greater rate than being replenished. Whether or not this is a serious issue going forward needs to be determined and funding provided by this aspect of SF 646 will help in that determination.

*(Contact: Lew Olson 1-3096)*

### Iowa SNAP Waiver Approved, Begins January 1

Recently, Governor Reynolds announced that Iowa's waiver to the USDA to limit purchases made with SNAP benefits to healthy food has been approved and will begin January 1, 2026. SNAP stands for the Supplemental NUTRITION Assistance Program. Democrats seem to forget the "N" stands for "nutrition." Iowa's waiver logically just limits purchases to those that are not taxable. If a food or beverage item is subject to sales tax under current law, it will not be able to be purchased with taxpayer funds beginning at the new year. [Here](#) is the list of taxable food which will mainly restrict the ability to purchase candy and soda with taxpayer funds. Current law already restricts SNAP purchases of alcoholic beverages, tobacco and hot foods prepared for immediate consumption.

This session, the Iowa House passed House File 970 to require DHHS to apply for this waiver and to ensure that these healthy food restrictions are not removed by a future Democrat administration without legislative approval. All House Democrats opposed the bill.

The Trump administration recently released its [Make Our Children Healthy Again report](#). The report states the following:

- Children receiving SNAP benefits are more likely to consume greater quantities of sugar-sweetened beverages and processed meats compared to income-eligible nonrecipients; by one estimate, **nearly twice as much will be spent by SNAP on ultra processed foods and sugar-sweetened beverages (\$21 billion) compared to fruits and vegetables (\$11 billion) in FY2025.**
- SNAP participants face worsening health outcomes compared to non-participants, exhibiting elevated disease risks: according to one study, they are twice as likely to develop heart disease, three times more likely to die from diabetes, and have higher rates of metabolic disorders. Additionally, children on SNAP struggle to meet key dietary guidelines and perform poorly on key health indicators when compared with income-eligible and higher income nonparticipants.
  - **The costs for these preventable diseases fall directly on taxpayers. Roughly 60% of SNAP participants received Medicaid in 2019,** highlighting the connection between healthcare costs and suboptimal nutritional services.

Currently Iowa ranks 11<sup>th</sup> in the nation for adult obesity and one in six children in Iowa are considered obese. Iowa's SNAP waiver places reasonable guardrails on what taxpayer funds should be spent on. **House Republicans do not believe tax dollars should be purchasing things like skittles and monster energy drinks within a taxpayer funded program that is supposed to help alleviate hunger.** These items have ZERO nutritional value and Democrats unanimously voted to allow those items be purchased with your tax dollars.

In 2024, there was an average of 266,018 recipients of SNAP in Iowa with an average household benefit of \$335. This amounts to \$44.15 million of taxpayer dollars being spent monthly. The Senate did not advance House File 970 this legislative session, but is able to consider it in 2026 to restrict a future Democrat administration from withdrawing Iowa's common sense waiver.

*(Contact: Natalie Ginty 5-2063*

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## Judiciary

### Senate Kills Bills to Stop Illegal Immigration and Eminent Domain

For a bill to have a chance at becoming law, it must pass both the House and the Senate in identical form. If the two chambers cannot agree, the bill does not move forward. Below are several bills passed by the House that failed in the Senate. These bills focused on stopping illegal immigration, protecting children from obscene materials, and protecting landowners by significantly limiting eminent domain.

#### **House File 572- Smuggling of Illegal Immigrants**

Smuggling of illegal immigrants is a serious issue in the country and specifically in Iowa with two major interstates running through the state. These illegal immigrants are smuggled for many reasons, including for sex trafficking, labor trafficking, and other criminal purposes. HF 572 would have established a new criminal offense called "smuggling of persons," targeting individuals who knowingly transport noncitizens for payment or other benefits. The bill would have protected human trafficking victims and charged those individuals who take advantage of vulnerable individuals while discouraging illegal immigration in the state.

**Status- Passed Senate Judiciary Committee, not brought for vote on Senate floor.**

#### **House File 864- Protecting Minors from Obscene Materials Online**

The goal of House File 864 was to regulate online platforms that provide obscene material. It would have required these platforms to verify the age of users to ensure that minors cannot access this content. The bill specified that platforms must use reliable methods for age verification and cannot keep or share personal information about users after verifying their age. A platform who failed to comply could have faced financial penalties.

**Status- Passed Senate Technology Committee, not brought for vote on Senate floor.**

#### **House File 943- Eminent Domain- Limiting Hazardous Liquid Pipelines and Protecting Agricultural Land**

House Republicans know how important private property rights are to Iowans. HF 943 would have protected agricultural property from eminent domain taking for a hazardous liquid pipeline. Additionally, a hazardous liquid pipeline would not be considered a public use and not defined as a utility. This bill would have been another step forward in protecting landowners' rights.

**Status- Did not pass Senate Commerce Committee**

#### **House File 946- Immigration Enforcement**

HF 946 would have required law enforcement officers to comply with immigration enforcement laws and provided a penalty for the officer who subverts immigration enforcement. The bill would have helped Iowa and the federal government work together to stop illegal immigration.

**Status- Did not pass Senate Judiciary Committee**

*(Contact: Amanda Wille 1-5230)*

## Labor

### IWD Announces Modernized Unemployment System to Improve Experience for Iowans

Iowa's decades-old system for processing unemployment insurance claims and helping Iowans find jobs will temporarily go dark. It will be officially replaced next week by a new, combined and modernized system that will make it easier for Iowans to file for benefits and navigate the process of reentering the workforce.

Iowans currently must use multiple websites and accounts to complete the unemployment process and find new work. Beginning June 3, 2025, they instead will complete all unemployment steps on [iowaworks.gov](https://iowaworks.gov), for the first time creating one centralized location for the entire process (including filing a claim, participating in reemployment activities, and finding new employment).

For the past few weeks, IWD has been providing resources, system details, and instructions to claimants and employers on the June launch, including on its public channels and through direct notices to help avoid delays in payment. More details about this once-in-a-generation change can be found at: [workforce.iowa.gov/ui-modernization](https://workforce.iowa.gov/ui-modernization).

The new system in [IowaWORKS](https://iowaworks.gov) simplifies steps and improves the user experience while also improving the efficiency for IWD staff by automating many processes that currently are performed manually. The hours that Iowans are able to file claims have also been expanded. Replacing IWD's existing claims system, which has been used for decades, represents a comprehensive upgrade that will benefit both individuals and employers on a daily basis. "For several years, IWD has been working hard to improve the unemployment process for Iowans and make navigating it as easy as possible so they can focus on what matters most – finding a promising career that matches their skills and goals," said Beth Townsend, Executive Director of Iowa Workforce Development. "Modernizing our unemployment system is the culmination of a lot of thoughtful work, and we're excited to combine our systems in one central location on [iowaworks.gov](https://iowaworks.gov). Once live, this system will greatly enhance the experience for both individuals and employers and will help place them both in positions that will ultimately benefit our entire workforce."

Throughout this month, IWD has been preparing employers and claimants for a scheduled downtime taking place just prior to launching the new system. This one-time period from May 28-June 2 is a security measure that allows the agency to transfer all data and complete the system transition. IWD has been advising claimants to file their weekly unemployment claim before 5:30 p.m. on Tuesday, May 27 so that they will not see an interruption in benefits for the week of May 25. When the new system goes live on June 3, any claimants that did not file prior to the downtime will be able to immediately file retroactive claims on the new, simplified system.

#### **Full Schedule: Unemployment Modernization**

- **Tuesday, May 27:** The last day that any initial or weekly claim can be filed in IWD's current unemployment system.
  - All claimants already on unemployment have been contacted throughout this month and were encouraged to file their weekly claims between Sunday, May 25, and Tuesday, May 27, before the scheduled downtime begins.
- **Wednesday, May 28-Monday, June 2:** Schedule downtime of IWD's systems (including both its claims system and existing functions on [iowaworks.gov](https://iowaworks.gov)).
  - No new or weekly claims will be able to be filed during this period, and no new accounts will be added in [iowaworks.gov](https://iowaworks.gov).
  - However, Iowans will still be able to receive career-related services at [IowaWORKS centers](https://iowaworks.gov) across the state.
- **Tuesday, June 3:** The new unemployment system goes live on [iowaworks.gov](https://iowaworks.gov). As soon as the new system is live, claimants will be able to file initial or weekly applications and claim any benefits missed during the downtime.

Like many other projects in states across the country, modernizing unemployment is a complicated process involving thousands of steps, years of development, and rigorous testing. With such a significant change, IWD expects that there will be a transition period as Iowans become used to the new process. However, the agency is confident that the system will greatly improve the user experience, simplify tasks, and strengthen the security of Iowans' information. [Iowaworks.gov](https://iowaworks.gov) currently serves both as the home of Iowa's largest jobs bank and as a site for career-related services – including services for those who are not currently unemployed. After the site's capabilities are expanded on June 3,

users of [iowaworks.gov](http://iowaworks.gov) also will see enhanced security across all workforce services. All Iowans currently receiving unemployment benefits already use ID.me. At some point after launch, the site will begin requiring all users -- including those who are just searching for jobs -- to verify their identity through ID.me to ensure that personal information is protected. (IWD will announce more details in the future.) IWD has created a number of new resources for both claimants and employers and has trained staff members across the agency to prepare for the launch of the new system.

- [Information, Resources, and Login Instructions for Claimants \(Link\)](#)
  - Iowans will now be able to file a claim, register to work and manage all documents and activities from one central location on [iowaworks.gov](http://iowaworks.gov).
- [Information, Resources, and Login Instructions for Employers \(Link\)](#)
  - Iowa's businesses will still be required to use [MyIowaUI](#) (just as they do today) to register their unemployment tax accounts and make payments. However, [iowaworks.gov](http://iowaworks.gov) will now be used to manage notices of claims, appeals, and other functions based on claims filed in the IowaWORKS system.

For more, visit [New Unemployment System Coming June 3.](#)

*(Info from Iowa Workforce Development)*

*(Contact: Kristin Rozeboom 1-3015)*

## Local Government

### Governor Signs Bills to Provide More Flexibility for Governments

Governor Reynolds has signed two Local Government Committee bills that provide more freedom to local governments to serve their communities and Iowans.

[House File 894](#) provides county recorders the ability to release the lien on a snowmobile, all-terrain vehicle, or water vessel from any county with proof that the lien has been released by the lienholder. This will allow Iowans to be able to go to the county recorder that is most convenient for them and not require to use the county recorder where the lien was recorded.

[House File 297](#) clarifies Iowa Code that a city council member may be appointed the Chief of volunteer fire fighters or another appointed officer position with a majority vote of the city council. The council member must abstain from their appointment vote. The new law also creates an optional reserve savings fund for cities to make purchases or use for large maintenance on equipment for police, fire, rescue, or emergency medical services. Fund would be allowed to carry over fiscal year. These optional reserve funds provide local governments another tool to make larger necessary purchases such as fire engines or new law enforcement vehicles.

Both these bills are great examples of House Republicans continued work to find ways to give our local communities more flexibility to serve their communities and reevaluate ways to modernize how we govern at the state, county, and local level.

*(Contact: Jason Covey 1-3626)*

## Natural Resources

### **Plan Your Fishing Trip with the New Improved DNR Mobile-Friendly Fishing Atlas**

On Friday, May 23, 2025, the Iowa Department of Natural Resources issued a press release in which DNR touted its new, improved mobile-friendly fishing atlas. The popular Iowa DNR online interactive fishing atlas has been updated to include DNR managed lakes, community fishing ponds, hundreds of miles of Iowa rivers including the Mississippi and Missouri rivers, and miles of trout streams. New search features allow anglers to search by waterbody and quickly zoom in to find lake contours, fishing structures, river bends, and trout stream riffles with aerial imagery. This mobile-friendly atlas will sync with your current GPS location to help you navigate a river segment and find specific lake contours, fish structure locations, and amenities such as fish cleaning stations.

### **DNR: Fawning Season has arrived, Here's What You Need to Know About Deer on the Move**

On Friday, May 23, 2025, the Iowa Department of Natural Resources (DNR) issued a press release in which this state agency advised Iowans that fawning season has officially arrived, which means Iowans will see lots of deer on the move. From now until late June, DNR field staff across the state will receive many phone calls and emails regarding "abandoned deer." But in reality, most of the wildlife reported to DNR field staff are not really abandoned at all. And while the people who attempt to "rescue" these babies have the best of intentions, they are doing more harm than good. Fawning season traditionally begins during the last week of May and peaks in the first couple of weeks in June before gradually tapering off. Does are secretive about the birthing process and will venture out from normal use areas looking for a secluded spot to deliver this year's crop of fawns in peace. DNR urges Iowans leave fawns alone. They have not been abandoned. The mother is likely nearby.

Fawning season also coincides with an increase in deer vehicle collisions. Drivers are reminded to drive defensively, avoid distractions, slow down, and provide safe distance between vehicles. Don't veer for deer! If a driver does hit a deer, drivers can get a salvage tag for the meat by calling either the local conservation officer or local law enforcement agency. The salvage tag is free and is required to legally possess the meat. Salvaging requires that the entire deer be removed from the roadway.

*(Contact: Lew Olson 1-3096)*

## State Government

### **Governor Signs Parental Leave Bills**

This year the State Government Committee moved two pieces of legislation to provide leave for new parents in the state of Iowa.

[House File 889](#) will provide state employees paid parental leave under the Federal Family and Medical Leave Act following the birth or adoption of a child. Mothers who have given birth would be entitled to take up to four weeks paid leave the twelve months following birth and the parent who did not give birth is entitled to one week of paid leave the following twelve months. This new law will also provide state employees who place an adopted child in their home with four weeks of paid leave to provide time to acclimate and bond with the child. The leave provided by this legislation will not need to be used all at once and could be used partially spread out over the year to provide employees flexibility to create work/life balance.

The other newly enacted law will provide adoptive parental leave protections for private sector employees. [House File 248](#) directs employers to treat adoptive parents of children up to age six the same as birth parents according to their employee leave policies. Both new laws will provide additional support for Iowans who are planning to build or grow their family and create more flexibility for Iowans to be at home with their children during the crucial developmental stage.

*(Contact: Jason Covey 1-3626)*

## Transportation

### Addressing ATV Issues One Step Closer

One of the more popular topics brought up with members of the House Transportation Committee this past session were issues related to the operation of All Terrain Vehicles and the like. In response to the growing number of questions and concerns about ATVs, the last piece of legislation adopted this year contained a call for further study during the 2025 interim.

Section 40 of the Standing Appropriations bill (SF 659) calls on the Legislative Council to appoint a study committee charged with looking at policy issues and statutory changes dealing with the operation of ATV's and off-road utility vehicles (UTV's). The bill cited two specific issues that are to be discussed by the study committee. First is the question of whether ATV's and UTV's using public roadways should be required to pay a fee. Some Iowans have expressed the opinion that if this motor vehicles are using the road system, then they should be contributing to the Road Use Tax Fund. Such registration would likely include a license plate, which is desired by some ATV operators as some surrounding states require license plates for these types of vehicles to be operated in their state.

Another topic that the legislation directed be addressed by the study committee is the potential consolidation of current Code provisions dealing with ATV's and UTV's. In the 2025 Iowa Code, laws governing ATV use are found in three different Code chapters involving multiple agencies. Members of the House Transportation Committee expressed a desire to find a way to bring all these laws into one chapter so Iowans and law enforcement would have a clearer picture of what is required of ATV and UTV operators.

These two issues will not be the only ones discussed by the proposed study committee. One topic sure to come up is whether ATV's and UTV's are required to have a slow moving vehicle sign attached while driving on roadways. Law enforcement agencies across the state have differing views on the matter, which is creating confusion in the ATV community.

The study committee will be comprised of three members of each chamber, and would be directed to consult with the Departments of Natural Resources, Public Safety, and Transportation in their work.

### The New Road Maps Are Here! The New Road Maps Are Here!

Providing many communities with the spontaneous publicity they need, the Iowa Department of Transportation announced last week that printed versions of the 2025-2026 Transportation map are finally here and available to the public.

For those who are wanting an updated physical copy of the map, they can be picked up at DOT driver's license service centers, county treasurer offices, any of the Department's six district office, and the state's welcome centers and rest areas. If you would like a digital copy, that be accessed at the following link: <https://iowadot.gov/travel-tools/maps>.

*(Contact: Brad Trow 1-3471)*

## Veterans Affairs

### Iowa's Tribute to Service, Sacrifice, and Strength

Recently, the Commandant of the Iowa Veterans Home [posted](#) the following in honor of May being Military Appreciation Month:

May in Iowa is more than blooming fields and graduation parties—it's a time to pause, reflect, and honor the men and women who have answered the call to serve. Military Appreciation Month is a statewide and national observance, and here in Iowa, it's a chance to recognize the veterans, active-duty service members, and military families who are part of the very fabric of our communities.

Whether they served overseas or here at home, Iowa's military heroes have always stood tall with courage and humility. This month is about shining a light on those stories—many of which start in small towns, farms, city neighborhoods, and end in service that shapes our nation's history.

#### It's About More Than Just the Uniform

Military Appreciation Month isn't only for those currently wearing the uniform—it's for everyone touched by service. That includes veterans navigating life after deployment, spouses juggling family life during long absences, and kids who grow up with strength beyond their years. In Iowa, we recognize these quiet sacrifices with the respect they deserve.

Our communities—from Des Moines to Decorah—show their appreciation not just with flags and parades, but with genuine acts of connection: a visit to a VA facility, a thank-you note from a fourth-grade class, or a neighbor helping out a veteran next door.

#### How It All Began

Military Appreciation Month became official in 1999, thanks in large part to Senator John McCain and other veterans in Congress who pushed for a national moment of reflection. Their message was clear: we needed more than a few scattered holidays to honor our military—we needed dedicated time to tell their stories and say thank you. In Iowa, where patriotism runs deep and service is a proud tradition, that message hits home.

#### Why It Still Matters—Especially in Iowa

Today, fewer Americans serve in the military than in decades past, making it even more important to bridge the civilian-military divide. In a state like Iowa—where so many veterans return to raise families, start businesses, or serve in state and local government—Military Appreciation Month is a vital reminder that freedom comes with a cost. Many Iowa veterans carry burdens invisible to the eye: PTSD, depression, or difficulty transitioning to civilian life. This month allows us to recognize those challenges, to advocate for better support, and to remind those who served that they're not alone.

*(Contact: Natalie Ginty 5-2063)*

## Ways & Means

### Senate File 657—Economic Development Tax Credit Modernization

Over the course of the next several months—this newsletter will focus on specific divisions of the large tax credit bill passed at the end of session. The bill has 21 divisions, and this article will focus on the first two.

#### Division I—Economic Development Programs—Tax Credit Limits



This division decreases what is often referred to as the “IEDA cap.” This aggregate tax credit limit of \$170.0 million for IEDA’s economic development programs is cut to \$110.0 million in fiscal year 2026. The division does however take the Redevelopment Tax Credit Program and the Workforce Housing Tax Incentives Program out from “under the cap.” This means those programs will exist outside that \$110.0 million cap and have their own limits.

Division I specifies that \$10.0 million from the cap is for the current Innovation Fund Tax Credit and Seed Investor Tax Credit that is created later in the bill. It also provides that \$10.0 million from the cap is to be used for the current Renewable Chemical Production Tax Credit and the new Sustainable Aviation Fuel Production Tax Credit. Forty million of the cap is delegated for the new Research and Development Tax Credit. The bill reserves \$50.0 million for the newly created BIG program (replaces High Quality Jobs). Perhaps most importantly, Division I requires IEDA to submit a report to IDR annually by August 15 that details the tax credits that were awarded. Below is a chart that details current law vs. Division I changes.

| Current Iowa Code Section 15.119 Award Caps<br>(\$170.0 Million Aggregate Total) |         | Business Development Tax Credit Programs Award Caps<br>(\$110.0 Million Aggregate Total) |         |
|--|---------|--|---------|
| Program  | Maximum | Program  | Maximum |
| HQJ Program  | \$68.0  | BIG Program  | \$50.0  |
| Workforce Housing Tax Incentives Program   | 35.0    | Innovation Fund and Seed Investor Tax Credits  | 10.0    |
| Redevelopment Tax Credit   | 15.0    | Renewable Chemical and Sustainable Aviation<br>Fuel Production Tax Credits               | 10.0    |
| Innovation Fund Tax Credit   | 8.0     | Research and Development Tax Credit  | 40.0    |
| Angel Investor Tax Credit  | 2.0     |  |         |
| Renewable Chemical Production Tax Credit   | 5.0     |  |         |

## Division II—Economic Development Programs—Tax Credit Limits—Conforming Changes

This division really builds on Division I. This division specifies that the program cap for the Workforce Housing Tax Incentives program will be:

FY 2026=\$39.5 million

FY 2027=\$36.5 million

FY 2028 and beyond=\$35.0 million

It also provides that the small-city set aside will be 50 percent of the annual allocation instead of \$17.5 million. This division puts a program cap of \$15.0 million annually on the Redevelopment Tax Credit. Next newsletter will focus on the brand-new Business Incentives for Growth (BIG) Program and the elimination of the High Quality Jobs Program.

## How is Illinois Tackling Tax Policy?

A May 27 article in *The Illinois Policy* article discusses a proposed expansion of Illinois' sales tax to include services like haircuts, lawn care, and car repairs, which could generate \$2.7 billion in revenue. Currently, only four states—Hawaii, New Mexico, South Dakota, and Washington—tax services by default, while 46 states, including Illinois, primarily tax goods. Illinois already taxes 29 specific services, such as software downloads and vehicle leases, fewer than most large peer states, giving it a competitive edge for businesses. The proposal, reportedly pushed by Democratic lawmakers in a secretive manner before the May 31 legislative session ends, aims to address the Chicago Regional Transit Authority's fiscal crisis, with funds allocated as follows: \$2 billion for the state, \$50 million for counties, \$390 million for municipalities, and \$315 million for the RTA. Critics argue this tax hike burdens already heavily taxed Illinoisans. The article references [StopILServiceTax.com](http://StopILServiceTax.com) for a detailed list of taxable services and warns of potential economic drawbacks, such as reduced competitiveness, amid concerns over secretive legislative tactics.

What about Iowa and our neighbors to north and south? According to Avalara a software company that produces sales tax compliance software, Iowa taxes the most services at approximately 75, Minnesota taxes a smaller number (likely under 20, based on specific categories), and Missouri taxes the fewest (likely under 10, focused on amusement and select property services). For precise lists, consult each state’s Department of Revenue, as service taxability can vary within categories.

(Contact: Kristi Kiouss 2-5290)